Impact of Corporate Social Responsibility on Repurchase Intention: A Case Study in the FMCG Industry in Vietnam

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Abstract

The study aims to evaluate the impact of corporate social responsibility on customers' repurchase intention in Vietnam’s fast-moving consumer goods (FMCG) industry. This study employs primary data surveyed from 417 Vietnamese consumers, and the sample is selected based on the willingness to participate in providing information. The results show corporate social responsibility’s positive impact on repurchase intention in the FMCG industry in the Vietnam market. There are three components of corporate social responsibility, including ethical responsibility, legal responsibility, and economic responsibility have a positive impact on repurchase intention. The economic responsibility component has the greatest effect on repurchase intention. There is not enough statistical basis for the philanthropic responsibility component of corporate social responsibility to recognize its impact on repurchase intention. The findings of this study suggest that companies dealing in the FMCG industry in Vietnam need to invest more in further developing their corporate social responsibility, it not only helps to improve their customer loyalty to businesses but also contributes to promoting the country’s economic and social development in a better and more sustainable direction.

Keywords: Corporate Social Responsibility, Repurchase Intention, Ethical Responsibility, Legal Responsibility, Economic Responsibility, Philanthropic Responsibility

JEL Classification Code: B17, M16, M21, M31, M37

1. Introduction

In today’s developed society, product quality or competitive prices are no longer the only ways to retain consumers. Instead, customers are more interested in corporate social responsibility (CSR) through seeing ethical behaviors and the benefits businesses contribute to the community. There are many studies that have confirmed the positive impact of corporate social responsibility on perceived brand equity, brand authenticity, and consumer intention (Ellen et al., 2006; Creyer, 1997; Agudo-Valiente et al., 2015; Leonnard et al., 2017; Joo, 2020; Hidayah et al., 2021; Nguyen et al., 2022). Especially in industries where the difference and difference are not much in terms of quality and price of products between brands, the corporate social responsibility factor is considered an essential factor contributing to increasing the competitiveness of products or brands in the market, increasing repurchase intention for the brand.

In Vietnam, the fast-moving consumer goods (FMCG) industry is growing rapidly and creating many development
opportunities for businesses. The FMCG industry includes all products and goods serving essential needs for daily life (personal utensils, daily food, cosmetics, etc.). This category accounts for a very large proportion of the number of products that customers have to buy repeatedly and greatly affects consumers’ purchase intention. It is estimated that each year, Vietnam generates about 1.8 million tons of plastic waste into the environment, with the amount of waste from fast-moving consumer goods accounting for the majority.

In 2019, the Vietnam Packaging Recycling Alliance was established to launch many initiatives to change packaging materials, increase the rate of plastic waste recycling and organize campaigns called “green revolution” to raise public awareness and consumers. Many customers agree that they care and decide to buy a product simply because it contributes positively to improving the environment or from a brand that positively contributes to the local socio-economic development. It can be seen that corporate social responsibility directly affects the purchase intention of customers. Studies also show the urgency of fully being aware of corporate social responsibility in sustainable development and increasing business competitiveness. Customers will perceive the behavior of the business, the honesty, and the commitments of the company, from which the customer will make a purchase decision (Arli & Tjiptono, 2014; Ferreira et al., 2010; Du et al., 2011; Nave & Ferreira, 2019). This study is proposed to evaluate the impact of corporate social responsibility on repurchase intention for brands in the Vietnam market in the fast-moving consumer goods (FMCG) industry.

2. Literature Review and Hypotheses

2.1. Repurchase Intention

A customer’s repurchase intention is to purchase a product or service from a place previously purchased (Zeithaml et al., 1996; Zwass, 1998). Repurchase intention represents the intention to repurchase the goods or services of a previously used brand (Cuesta-Valiño et al., 2019). Repurchase intention is the behavior by which consumers tend to spend more on products or services of the same company or organization. Repurchase intention refers to the psychological commitment to a product or service that arises after using it, leading to the idea of re-consumption. Repurchase intention is critical to profitability and is an object of discussion in company reviews. In addition, repurchase intention refers to the extent to which a consumer is willing to repurchase a product or service and is a simple, objective, and observable buying behavior expected. In this study, repurchase intention is defined as the intention to repurchase goods or services of the same brand that customers have previously consumed, regardless of the place or form of purchase.

Many studies in the past have confirmed that repurchase intention is influenced by customers’ past satisfaction, consumption habits, or repurchase convenience. Customers develop a strong intention to repurchase if they find value (both pragmatic and hedonistic) and are satisfied with their previous purchase from the same supplier (Park & Kim, 2003). Customer satisfaction can influence attitude change (e.g., service and supplier preferences), which in turn affects repurchase intention (Oliver, 1980; Oliver & Bearden, 1985; Stauss & Neuhaus, 1997). The level of satisfaction increases the likelihood that a company’s brand and products are passed on by word of mouth, thereby increasing customer consideration in repurchase intentions. Customer satisfaction has a direct positive effect on brand preference. Customer satisfaction upon customer loyalty It has been achieved that customer service relationships are built one interaction at a time (Bitner et al., 1990; Bitner, 1995); it is necessary to develop a strategy to keep consumers interested.

In addition, many recent studies have confirmed the impact of corporate social Responsibility (CSR) on customers’ repurchase intention. To support strategic marketing decision-making, companies seek to better understand consumer perceptions and behavior about CSR and how this can motivate their purchase intention (Ferreira et al., 2010; Arli & Tjiptono, 2014). Customers decide to repurchase based on the perception of the brand authenticity of the company or the product. Customers associate “best” products and brands with “good” companies. The image and reputation of the company become part of creating top awareness among customers. Corporate social responsibility is a business practice and concept whereby organizations consider the good of society and integrate it into their strategy by taking responsibility for the results of their operations, and their actions toward customers, suppliers, employees, communities, environment, society, etc. Corporate social responsibility is a voluntary commitment by businesses to maximize long-term economic, social, and environmental benefits through business activities, policies, and resources (Du et al., 2011). For example, banks offer free training to customers in cash and money management to retain their loyalty. Mining firms engage in environmental and community-related CSR projects, such as tree planting and producing household handicrafts. Now, the socio-economic perspective maximizes the concept of CSR, and participation in social welfare issues is just as meaningful as the company because it reaches out to social actors outside the investors, private investors, and company owners (Ferreira et al., 2010; Nave & Ferreira, 2019). Due to the need to compete in new markets as a socially responsible company, the establishment of this new social arena will influence customers’ purchasing decisions. Based on inheritance and development, this study focuses on studying the impact of corporate social responsibility on repurchase intention for brands in the Vietnam market’s fast-moving consumer goods (FMCG) industry.
2.2. Corporate Social Responsibility

For many years before the 1950s, Corporate Social Responsibility (CSR) was often abbreviated as Social Responsibility rather than corporate social Responsibility. Bowen’s famous work, “The Corporate Social Responsibility,” was published in 1953, ushering in the contemporary era of the field. Carroll (1979) developed his four-pronged model of economic responsibility; legal responsibility; ethical responsibility; and philanthropic responsibility - a theory that has been widely accepted in the social responsibility literature. Carroll is interested in aspects of CSR and takes into account definitions of social responsibility with the idea that companies must achieve benefits, comply with the law and exceed the law (Wartick & Cochran, 1985; Carroll, 1991; Lewin et al., 1995; Maignan et al., 1999; Minh & Quang, 2022). Carroll’s idea of social responsibility is often used in research studies because it is a simple, methodical concept that moves from a duty to generate profits for the company to an obligation to the government and society (Saeidi et al., 2015). Besides that, Graafland et al. (2004) focused on three factors: ecology, which includes environmentally conscious behavior. Social, associated with corporate ethics and economic, related to product marketing. Chikazhe et al. (2020) demonstrated that different aspects of social responsibility (environmental, social, economic, shareholder, and voluntary) impact various competitive factors, including financial capacity key, production quality, consumer satisfaction, efficiency, innovation introduction, and corporate image. Then, depending on the CSR needs for each business’s development stage and priorities, the variables are classified from low to high, respectively. The state is responsible for incorporating social and moral standards into criminal law. When evaluating a company, it determines the benefit - harm to society or considers the advantages - disadvantages to society in the simplest possible way. Based on the literature review, this study applies the CSR theory of Carroll (1991), including philanthropic, legal, economic, and ethical responsibility. These four components are expected to positively impact the repurchase intention of customers in the FCMG industry in the Vietnam market.

2.2.1. Philanthropic Responsibility

Strategic philanthropy reflects the strategic advantages of community-directed CSR, including charitable donations based on distinctive resources of the industry (e.g., unoccupied rooms and leftover food), well-being engagement, and skills volunteering (Rhou & Singal, 2020). Companies carry out the philanthropic aspect by providing financial and human resources to improve the quality of life not only of the environment in which it is included but also of society at large, which may entail actions such as investing in education, contributing to philanthropic causes, and environmental protection (Carroll, 1991; Mahmood & Humphrey, 2013). Through philanthropic activities, the image of the company will be beautiful in the eyes of customers and increase the repurchase intention. Although companies in innovative yet controversial industries like home-sharing are more likely to engage in CSR activities during a crisis to improve their reputation, little is known about how customers perceive and respond to these CSR activities. The community and customers highly appreciate companies with many charitable activities for their brand image, which positively impacts repurchase intention (Strahilevitz, 1999; Maignan & Ferrell, 2004; Mohr & Webb, 2005; Thi & Van, 2016). The research hypothesis for the philanthropic responsibility component is proposed as follows:

\[ H1: \text{Philanthropic responsibility of CSR has a positive influence on repurchase intention.} \]

2.2.2. Legal Responsibility

Legislation can be used to govern competition, the environment, and consumer protection, and it can also be used to promote safety and fairness (Mahmood & Humphrey, 2013). Integrity, social fairness, and moral rights are examples of ethical actions that go beyond what is required by legislation (Carroll, 1991; Golodner, 2016; Castro-González et al., 2018; Khan et al., 2020). Legal responsibility assures customers that the business will pursue economic goals within the limits of the law. Compliance with regulations and rules imposed by governments to provide a minimum degree of responsible behavior by corporations is referred to as the legal element. The legal aspect refers to compliance with regulations and laws established by governments to ensure a minimum standard of responsible behavior by organizations (Carroll, 1991). Repurchase intent is based on the expectation that customers feel secure when purchasing or returning a product. Legislation can regulate competition and the environment and protect consumers; the law favors safety and fairness (Mahmood & Humphrey, 2013). The following research hypothesis is proposed:

\[ H2: \text{Legal responsibility of CSR has a positive influence on repurchase intention.} \]

2.2.3. Economic Responsibility

The economic aspect is that the main goal of organizations is to provide profits and returns to investors through the conception of goods and services necessary to society (Carroll, 1991). The economic responsibility of
the business is demonstrated by ensuring economic value for its customers and participating in contributing to the locality’s economic development, promoting production and consumption in the locality to be better and more sustainable development. Accordingly, the economic responsibility of a business is reflected in its commitment to building strong relationships with customers to ensure long-term success, improving the quality of services provided to customers, having a competitive pricing policy for clients, and making a productive contribution to the local economy (Carroll, 1991). Companies with good customer perception of economic responsibility will increase satisfaction with the company and stimulate the repurchase of the company’s goods and services (Graafland et al., 2004; Chikazhe et al., 2020). Many previous studies have identified economic responsibility as having a positive effect on repurchase intention (Ramasamy & Yeung, 2008; Arli & Lasmono, 2010; Kim & Chung, 2011; Leaniz & Rodríguez, 2012; Thi & Van, 2016). The research hypothesis for the impact of economic responsibility on repurchase intention is built as follows:

**H3:** Economic responsibility of CSR has a positive impact on repurchase intention.

### 2.2.4. Ethical Responsibility

Ethical responsibility is an absolute but temporal concept and can be changed by history. The ethical dimension includes behaviors that go beyond what is required by law, such as integrity, social justice, and moral rights (Carroll, 1991; Castro-González et al., 2018; Golodner, 2016). Ethics associated with business benefits the company, creating greater trust in customers. Ethics brings core values to customers, giving them confidence when they intend to buy again. Corporate ethical responsibility involves ensuring a business operates pretty and ethically. Businesses have a moral responsibility that manifests in ethical behavior through fair and responsible treatment of all stakeholders, including management, investors, employees, suppliers, and customers. The company’s ethical responsibility contributes to promoting socio-economic development in a civilized and sustainable way. According to Singh et al. (2008), the ethical responsibility of an enterprise is assessed through providing complete, accurate, honest information, respecting consumers’ interests, engaging in several activities to reduce plastic waste, and caring about protecting the environment. Research by Strahilevitz (1999), Maignan and Ferrell (2004), Mohr and Webb (2005), and Thi and Van (2016) also identified companies with good ethical responsibility that will have a positive impact on customer perception and thereby drive repurchase intention for the company’s products. The research hypothesis for the ethical responsibility component of corporate social responsibility is proposed as follows:

**H4:** Ethical responsibility of CSR positively influences repurchase intention.

Based on the literature review and related studies, the research model is proposed in Figure 1.

### 3. Methodology


This study uses Carroll’s (1991) theory of corporate social responsibility, which has four components: philanthropic, ethical, legal, and economical. The philanthropic responsibility scale is developed based on Choo and Kim (2012), including three observed variables: Brand X has...
implemented charity activities, Brand X participates in charity programs, and Brand X has sponsorship (contribution) to the community. Based on Singh et al. (2008), the ethical responsibility variable is designed with six observed variables: Brand X provides honest information on promotions; Brand X provides complete information; Brand X provides accurate information; Brand X respects the interests of consumers; Brand X is engaged in a number of activities to reduce plastic waste; and Brand X cares about protecting the environment.

According to Carroll (1991), Lee et al. (2012), and Chikazhe et al. (2014) developed the legal responsibility component, which includes four items: Brand X fully complies with the law; Brand X complies with consumer protection laws; Brand X meets legal standards; and Brand X fully complies with the law on tax obligations. The economic responsibility component is built based on Carroll (1979), including four observed variables: Brand X strives to build strong relationships with customers to ensure long-term success; Brand X admonishes the quality of services provided to customers; Brand X has a competitive pricing policy for customers; and Brand X has a positive contribution to local economic development. Finally, the scale of repurchase intention variable is built based on Tong et al. (2014), including 3 observed variables: I plan to continue buying X brand products; I’m a loyal customer of the brand X that I’m using; and Brand X is my first choice when I make a purchase. All items of the scale are converted into questions with a 5-point interval scale: 1 means “strongly disagree,” and 5 means “strongly agree.” The questionnaire is designed based on Google Forms to serve as the primary data collection.

3.2. Sample and Data Collection Methods

Primary data is collected on customers consuming FMCG products, such as packaged foods, beverages, confectionery, toiletries, over-the-counter drugs, and other consumables. The link to the questionnaire on the Google form platform is sent to research subjects willing to provide information through social networking platforms in Vietnam, such as Facebook, Instagram, Zalo, etc. Data collection period from September 2022 to November 2022. Responses after screening and reliability assessment, recording 417 satisfactory samples, were used for the study.

3.3. Analytical Methods

Data was filtered and analyzed using SPSS 26. Data analysis methods include descriptive statistics to describe study sample information. The Cronbach alpha test is used to test the reliability of the scales in the research model, including philanthropic responsibility, ethical responsibility, legal responsibility, economic responsibility, and repurchase intention. The Multivariate regression method was used to test the correlation of independent variables of corporate social responsibility, including philanthropic, ethical, legal, and economic responsibility, on repurchase intention (Dependent variable) for the brands in the FMCG industry.

4. Results and Discussion

4.1. Sample Structure

The results of synthesizing primary data from 417 Vietnamese people in Table 1 show that the proportion of male sample is 34.29% and female is 65.71%. The sample by age group from 18–22 years old accounted for the highest rate (52.04%), followed by 22–30 years old (18.71). These are two groups of customers with high demand in the FMCG industry.

4.2. Test the Reliability of the Scale

The results of testing the reliability of the scales of philanthropic, ethical Legal, economic and repurchase intention, summarized in Table 2, show that the Cronbach’s Alpha coefficient of all components is greater than 0.80 and the corrected Item-total correlation of all observed variables in each component is greater than 0.50. The scale of all the components in the model is reliable.

4.3. Impact of Corporate Social Responsibility on Repurchase Intention

Results of multivariate regression analysis to assess the impact of independent variables belonging to corporate social responsibility, including philanthropic responsibility (Phi), ethical responsibility (Eth), legal responsibility (Leg), and economic responsibility (Eco) on repurchase intention (dependent variable) to record the result (Table 3): $R = 0.72 > 0.5$; Sig. $F$ Change $= 0.00 < 0.05$; $1.0 <$ Durbin-Watson $= 1.97$.

Table 1: Research Sample Information

<table>
<thead>
<tr>
<th>Age</th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Sum (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18 years old</td>
<td>1.68</td>
<td>6.24</td>
<td>7.91</td>
</tr>
<tr>
<td>From 18–22 years old</td>
<td>15.11</td>
<td>36.93</td>
<td>52.04</td>
</tr>
<tr>
<td>From 22–30 years old</td>
<td>7.91</td>
<td>10.79</td>
<td>18.71</td>
</tr>
<tr>
<td>From 30–40 years old</td>
<td>3.36</td>
<td>5.04</td>
<td>8.39</td>
</tr>
<tr>
<td>Over 40 years old</td>
<td>6.24</td>
<td>6.71</td>
<td>12.95</td>
</tr>
<tr>
<td><strong>Sum (%)</strong></td>
<td><strong>34.29</strong></td>
<td><strong>65.71</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>
Table 2: Results of Testing the Reliability of Components in the Research Model

<table>
<thead>
<tr>
<th>Variables</th>
<th>Code</th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philanthropic responsibility (Phi); Cronbach’s Alpha = 0.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand X has implemented charity activities</td>
<td>Phi1</td>
<td>7.78</td>
<td>2.81</td>
<td>0.80</td>
<td>0.81</td>
</tr>
<tr>
<td>Brand X participates in charity programs</td>
<td>Phi2</td>
<td>7.80</td>
<td>3.00</td>
<td>0.79</td>
<td>0.81</td>
</tr>
<tr>
<td>Brand X has sponsorship (contribution) to the community</td>
<td>Phi3</td>
<td>7.72</td>
<td>3.24</td>
<td>0.73</td>
<td>0.87</td>
</tr>
<tr>
<td>Ethical Responsibility (Eth); Cronbach’s Alpha = 0.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand X provides honest information on promotions</td>
<td>Eth1</td>
<td>19.71</td>
<td>13.735</td>
<td>0.702</td>
<td>0.855</td>
</tr>
<tr>
<td>Brand X provides complete information</td>
<td>Eth2</td>
<td>19.64</td>
<td>14.120</td>
<td>0.681</td>
<td>0.859</td>
</tr>
<tr>
<td>Brand X provides accurate information</td>
<td>Eth3</td>
<td>19.67</td>
<td>13.966</td>
<td>0.664</td>
<td>0.861</td>
</tr>
<tr>
<td>Brand X respects the interests of consumers</td>
<td>Eth4</td>
<td>19.68</td>
<td>13.546</td>
<td>0.702</td>
<td>0.855</td>
</tr>
<tr>
<td>Brand X is engaged in several activities to reduce plastic waste</td>
<td>Eth5</td>
<td>19.92</td>
<td>13.239</td>
<td>0.666</td>
<td>0.862</td>
</tr>
<tr>
<td>Brand X cares about protecting the environment</td>
<td>Eth6</td>
<td>19.89</td>
<td>12.967</td>
<td>0.707</td>
<td>0.854</td>
</tr>
<tr>
<td>Legal Responsibility (Leg); Cronbach’s Alpha = 0.92</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand X fully complies with the law</td>
<td>Leg1</td>
<td>12.04</td>
<td>6.467</td>
<td>0.813</td>
<td>0.887</td>
</tr>
<tr>
<td>Brand X complies with consumer protection laws</td>
<td>Leg2</td>
<td>12.04</td>
<td>6.734</td>
<td>0.775</td>
<td>0.901</td>
</tr>
<tr>
<td>Brand X meets legal standards</td>
<td>Leg3</td>
<td>12.00</td>
<td>6.704</td>
<td>0.833</td>
<td>0.882</td>
</tr>
<tr>
<td>Brand X fully complies with the law on tax obligations</td>
<td>Leg4</td>
<td>12.10</td>
<td>6.343</td>
<td>0.807</td>
<td>0.890</td>
</tr>
<tr>
<td>Economic Responsibility (Eco); Cronbach’s Alpha = 0.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand X strives to build strong relationships with customers to ensure long-term success</td>
<td>Eco1</td>
<td>11.97</td>
<td>5.778</td>
<td>0.740</td>
<td>0.836</td>
</tr>
<tr>
<td>Brand X constantly improves the quality of services provided to customers</td>
<td>Eco2</td>
<td>11.94</td>
<td>5.892</td>
<td>0.746</td>
<td>0.834</td>
</tr>
<tr>
<td>Brand X has a competitive pricing policy for customers</td>
<td>Eco3</td>
<td>12.01</td>
<td>5.579</td>
<td>0.777</td>
<td>0.821</td>
</tr>
<tr>
<td>Brand X has a positive contribution to local economic development</td>
<td>Eco4</td>
<td>12.08</td>
<td>5.924</td>
<td>0.665</td>
<td>0.866</td>
</tr>
<tr>
<td>Repurchase Intention (RI); Cronbach’s Alpha = 0.86</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I plan to continue buying X-brand products</td>
<td>RI1</td>
<td>8.19</td>
<td>2.75</td>
<td>0.69</td>
<td>0.83</td>
</tr>
<tr>
<td>I’m a loyal customer of the brand X that I’m using</td>
<td>RI2</td>
<td>8.34</td>
<td>2.48</td>
<td>0.77</td>
<td>0.76</td>
</tr>
<tr>
<td>Brand X is my first choice when I make a purchase</td>
<td>RI3</td>
<td>8.37</td>
<td>2.56</td>
<td>0.73</td>
<td>0.80</td>
</tr>
</tbody>
</table>
2.08 < 3.0 shows that the multivariate regression analysis model meets the analysis requirements (Table 3).

Research results in Table 4 show that the correlation between philanthropic responsibility and repurchase intention is not statistically significant with 95% confidence ($\beta = 0.04; \text{Sig.} = 0.42 > 0.05$). Accordingly, hypothesis H1 is rejected. That is, the philanthropic responsibility component of corporate social responsibility has no effect on promoting repurchase intention. This study is different from previous studies, such as Strahilevitz (1999), Maignan and Ferrell (2004), Mohr and Webb (2005), and Thi and Van (2016). The research results show that customers’ perception of the philanthropic responsibility factor of FMCG businesses is not good and has not created a positive image of the brand, has not motivated to promote repurchase intention in the FMCG industry in recent times.

Research results (Table 4) record that the positive impact of ethical responsibility on repurchase intention is statistically significant with 99% confidence ($\beta = 0.20; \text{Sig.} = 0.00 < 0.01$), in which hypothesis H2 is accepted. The higher the legal responsibility brands have, the more chance they have of high customer loyalty and repurchase intention in the FMCG industry. If a customer’s perception of a brand’s legal responsibility is increased by 1 unit, there will be a marginal increase in repurchase intention by 0.18 units. The results of this study reinforce the results of previous studies, such as Carroll (1991), Mahmood and Humphrey (2013), Golodner (2016), and Castro González et al. (2018). Corporate social responsibility in terms of legal responsibility is demonstrated through compliance and meeting the requirements of the law, compliance with consumer protection laws, and fully complying with the law’s provisions on enterprises’ tax obligations. This is a fundamental responsibility that any brand must meet to ensure proper social responsibility, but also to contribute to building a positive brand image in the consumer community.
The reality has shown that many brands that do not ensure legal responsibility have been discontinued by the consumer community and even “boycotted” by customers.

The economic responsibility of business positively impacts repurchase intention with 99% confidence ($\beta = 0.37$; Sig. = 0.00 < 0.01), hypothesis H4 is accepted. The better the enterprise implements the economic responsibility, the more trust and appreciation it will receive from consumers, thereby increasing the brand’s repurchase intention. If customers rate the economic responsibility of a business by 1 unit, there will be a 0.37 unit more motivating effect on repurchase intention. The results of this study are similar to previous studies, such as Graafland et al. (2004), Ramasamy & Yeung (2008), Arli & Lasmono (2010), Kim & Chung (2011), Leamiz & Rodriguez (2012), Thi & Van (2016), and Chikazhe et al. (2020). The economic responsibility of an enterprise is reflected in two aspects, (1) economic responsibility for customers, the brand strives to build strong relationships with customers to ensure long-term success, constant responsibility to monitor the quality of services provided to customers, and has a competitive pricing policy for customers; and (2) economic responsibility for local economic development, enterprises need to have a positive contribution to local economic development, such as supporting and contributing to the development of local production and consumption, promoting local economic development.

The corporate social responsibility components explain 51% of the variation of repurchase intention towards brands in the FMCG industry in the Vietnam market. Ethical, legal, and economic Responsibility have positive and statistically significant effects, with 99% confidence to repurchase intention. There is no statistical basis to record the positive impact of philanthropic responsibility on repurchase intention in this study. The results from this study have contributed to confirming the role and importance of corporate social responsibility in enterprises’ business. Suppose a business implements its ethical responsibility, legal responsibility, and economic responsibility, in that case, it will have a very positive impact on the repurchase intention of its brand, thereby helping the business to stabilize, market share development, sales, and competitiveness for the brand, as a premise for sustainable development, if maintained and developed, repurchases from customers.

5. Conclusion

Corporate social responsibility is an issue of increasing social concern because of the role and direct contribution of businesses to the economic and social development of the country. Enterprises, in addition to the purpose of seeking profitable value from production and business activities and providing services, also have additional responsibilities for the sustainable development of the economy and society. Moreover, socially responsible activities also contribute positively to the perception of customers and the community towards the image of the business, thereby contributing to building and developing brand equity, increasing repurchase intention and customer loyalty to the brand, and helping businesses improve competitiveness and sustainable development. Many previous studies have confirmed the positive impact of Corporate Social Responsibility on perceived brand equity, increasing consumer intention toward brands. The results from this study also identify a positive correlation between corporate social responsibility and consumer intention for brands in the FMCG industry in the Vietnam market.

This study has determined the positive impact of corporate social responsibility on repurchase intention in the FMCG industry in the Vietnam market. Three of the four components of corporate social responsibility, including ethical, legal, and economic responsibility, directly impact repurchase intention. That is if customers perceive the ethical, legal, and economic responsibilities of a good business, it will have an effect on promoting repurchase intention for the product of this business. The economic responsibility component significantly impacts repurchase intention in the FMCG industry. To ensure and increase the excellent perception of customers and the community towards economic responsibility, businesses need to ensure economic benefits for customers and harmonize with ensuring contributions to local economic development. This study also shows that customers’ evaluation of the philanthropic responsibility of businesses in the FMCG industry is not positive and has not recorded a statistically significant positive impact on repurchase intention. To increase the positive perception of customers toward philanthropic responsibility, businesses need to increase charity activities, participates in charity programs, has sponsorship (contribution) to the community.

References


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